

SENATE BILL 3224
By Miller

AN ACT to amend Tennessee Code Annotated, Title 8, relative to payroll deduction policy.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 8, Chapter 23, Part 2, is amended by adding the following as a new, appropriately designated section:

8-23-2__.

(a)

(1) Notwithstanding any other provision of law to the contrary, the provisions of this section shall determine what payroll deductions shall be permitted by public employees.

(2) For the purposes of this act, "public employer" means any state or local government, government agency, government instrumentality, school board, or special purpose organization that employs one or more persons in any capacity.

(b) The following categories of payroll deductions by public employers shall be permitted for all public employees:

(1) Those required by law, including, but not limited to, federal and state income taxes, and federal social security and Medicare taxes;

(2) Those for the benefit of charitable organizations described in § 501(c)(3) of the Internal Revenue Code; and

(3) Those which primarily fund savings, insurance and other similar benefits including, but not limited to, United States savings bonds, deferred compensation, and disability, life, health, and retirement benefits. These

programs shall include only those permissible for an employee benefit plan as defined in 29 U.S.C. § 1002(3).

(c) A signed, written prior authorization from the employee shall be required for any deduction listed in subdivision (b)(2) or (3).

(d) Payroll deduction for any other purpose or organization not specified in this section shall be prohibited. A public employer may develop guidelines and policies governing deductions listed in subdivisions (b)(2) and (3) in order to avoid unduly burdensome financial or administrative costs resulting from authorized deductions.

(e) Payroll deductions currently authorized shall terminate on the first day of the first full month following passage of this act unless the recipient of such deducted amount is certified by the public employer as qualified to receive payroll deductions under subsection (b), provided, however, that this act shall not be construed as impairing the obligations of existing contracts between public employers and labor organizations representing their public employees. Renewals or extensions of existing contracts shall not delay the effective date of any termination of dues deduction not authorized by this act.

(f) If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 2. This act shall take effect July 1, 2004, the public welfare requiring it.